

# **Automation Alley's Approach to Tech-Based Economic Development**

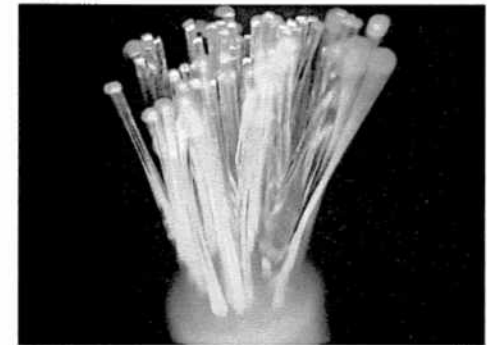
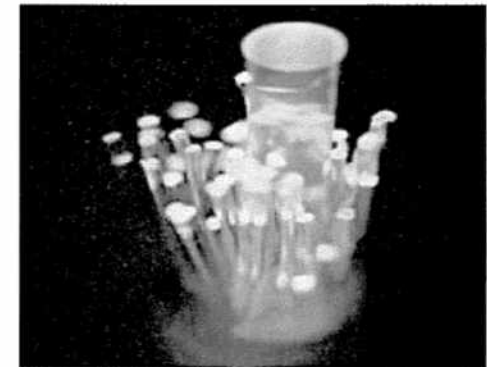
Testimony of Thomas Anderson before the  
Michigan House Commerce Committee

*February 13, 2007*



# Automation Alley

- Automation Alley is a 501(c)(6) non-profit membership organization
- More 720 member companies
- Partnership between business, government and education working together to ensure SE Michigan remains a global leader in technology



# Automation Alley Mission



Automation Alley®

Automation Alley acts as a catalyst to drive the growth, diversification and image of Southeast Michigan's technology economy through a collaborative culture that focuses on workforce and business development initiatives.



# Automation Alley Staff

## Management

- **Ken Rogers**  
*Executive Director*
- **Thomas Anderson**  
*Senior Director,  
Technology Center Director*
- **Charles DeVries**  
*Director of Government Affairs*
- **Lisa Mauch**  
*Director of Member Services*
- **Noel Nevshehir**  
*International Business Center  
Director*
- **Phil Bertolini**  
*GLIMA Network Director*
- **Michelle Zellen**  
*Director of Communications  
and Events*

## Staff

- **Sharon Blumeno**  
*Business Development  
Executive*
- **Edna Bionson**  
*Receptionist*
- **Freia Boeckel**  
*International Business  
Coordinator*
- **Danielle DeLonge**  
*Manager, GLIMA Network*
- **Claudia DiMercurio**  
*Executive Assistant*
- **Alysia Green**  
*Project Coordinator*
- **Robyn Hall**  
*Event Coordinator*
- **Karen Nickerson**  
*Manager, SE MI  
Information Security RSA*
- **Monica LoSano**  
*Supervisor of Customer Relations*

## Staff

- **Rochelle Meacham**  
*Assistant Director,  
GLIMA Network*
- **John Shirk**  
*Accountant*
- **Katie Stout**  
*Communications  
Administrator*

## Interns

- **Manuela Lomota**  
*IBC Intern*
- **Syed Roni**  
*Technical Intern*
- **Jeffrey VanHowe**  
*GLIMA Intern*



# Technology Cluster

- High-tech cluster
- Eight-county presence & City of Detroit



# State of Michigan Support

## **Strategic Fund Board Award**

- 3-year contract totaling \$6 million to expand upon ongoing programs of our Automotive Technology Business Accelerator
- \$4.2 million will be used for seed investments
- Balance used for international business development and workforce programs

## **Successes**

- To date, 10 investments have been made in Michigan companies
- More than 175 companies have interacted with the Technology Center
- Entrepreneur's Forums – a bimonthly showcase of new and emerging companies



# Events

- Alley continues to provide quality programming and services
- More than 3,000 people attended Automation Alley events in 2006
- More than 100 events were offered to members in 2006



# Technology Center

**Mission:** To bring together businesses, educators and government to help entrepreneurs accelerate the commercialization of new technologies and services.

## **Programs:**

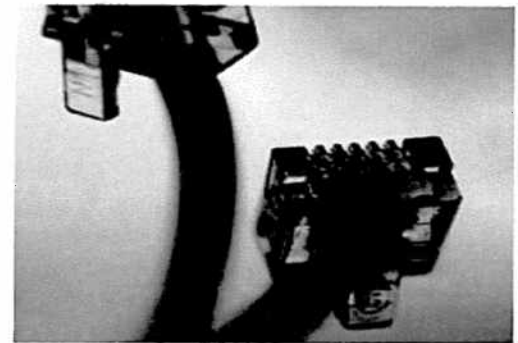
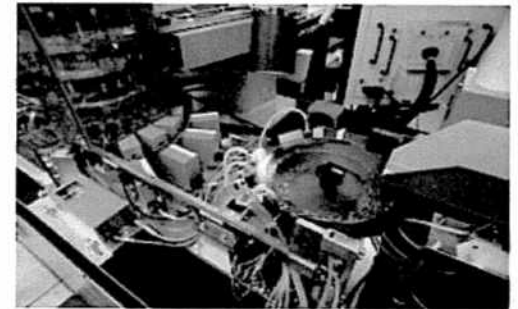
- Educational seminars & workshops
- Evaluation of business plans and strategy
- Mentoring
- Introductions to angel and venture capital opportunities
- Limited seed capital investment
- A relationship with the NAC to identify opportunities for SBIRs, CRADAs and dual-use technology commercialization projects





# Technology Center

- **Market driven focus**
- **Angel and venture capital relationships**
- **Seed capital investing**
  - Securitization Funding
- **Affiliation with the U.S. Military**
  - CRADA with TARDEC
  - Access to NAC Supercomputing facility for simulation
  - Assistance with Army SBIR opportunities
  - Brigadier General Donald Schenk offers consulting services for companies



# Technology Center

## **Photovoltaic Solar Panel Roof**

- Showcasing use of energy-efficient technology
- \$550,000 grant from Michigan Public Services Commission
- Partners: United Solar Ovonic, Cobasys, Nextek Energy Systems, SUR Energy



## **Digital Manufacturing Grant**

- Training and placing incumbent and displaced workers and at-risk students in high-tech, higher paying jobs



# International Business Center

**Mission:** To provide assistance for small to medium-sized enterprises that would like to sell their products and services into the global marketplace and to present new opportunities for international business organizations and companies that would like to establish a business presence in SE Michigan.

## **Programs:**

- Trade missions
- Extensive partnerships
- Networking
- Educational seminars
- Market and industry research
- Business attraction activities



# International Business Center

## Exporting Assistance

- International Trade Workshops

## Accolades

- Certificate of Appreciation for Achievement in Trade by U.S. Deputy Secretary of Commerce David Sampson



## Business Attraction

- Assisted two companies relocated to SE Michigan
  - SeQent
  - Prostap, Inc.



# International Business Center

- **China Trade Mission (Nov 06)**

- Signed two Memorandums of Understanding
- Awaiting feedback from companies as deals are finalized



- **Lahser High School students**

- Eight students from business and Chinese language program attended
- Experienced first-hand another culture and how business practices vary throughout the world



# GLIMA Network

**Mission:** To provide learning opportunities for its members and promote the retention and growth of the technology industry throughout Michigan and the Great Lakes region.

## **Programs:**

- Professional Development
- Events and networking
- Small Business Assistance
- Communication
- Student Involvement



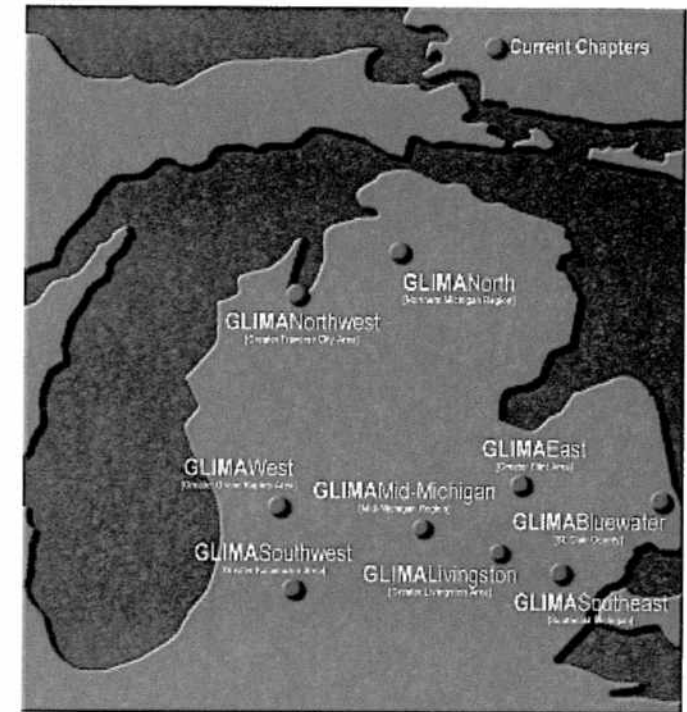
# GLIMA Network

## Membership

- Nine chapters
  - Added two new chapters in 2006: GLIMANorth and GLIMALivingston
- Nearly 800 members

## New Staff Addition

- Danielle DeLonge,  
GLIMA Network Manager



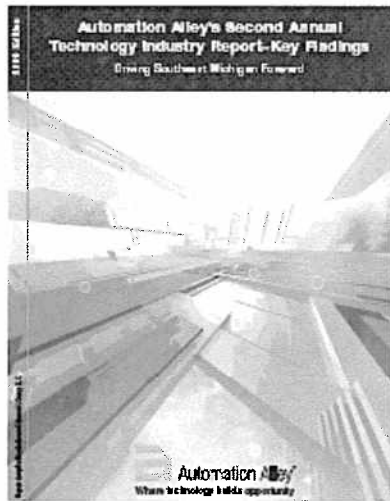
### Current Chapters:

- |                    |                 |
|--------------------|-----------------|
| •GLIMAEast         | •GLIMANorth     |
| •GLIMAMid-Michigan | •GLIMANorthwest |
| •GLIMALivingston   | •GLIMASouthwest |
| •GLIMABluewater    | •GLIMAWest      |
| •GLIMASoutheast    |                 |



# Strategic Communication

- Monthly electronic newsletter, *The AlleyUpdate*



- Automation Alley's *Second Annual Technology Industry Report: Driving Southeast Michigan Forward*
  - Documents the size and scope of Southeast Michigan's technology economy
  - Compiled by Anderson Economic Group





# New Publication Launched



- Lifestyle and technology magazine
- Circulation of 20,000
  - All Alley members receive copy
  - Distributed at Barnes & Noble, Borders and select locations (eg, NWA WorldClub)
  - Used as recruitment tool
- Collaboration with Renaissance Media
- Evolution of print newsletter, *AlleyWay*



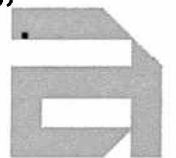
# Parting Thoughts

- **Economic factors impact Michigan**
  - Manufacturing productivity increasing
  - Increasing competition in automotive leading to a greater split of a slowly growing pie
  - Relatively scarce angel and venture capital
- **We have resources to create change**
  - Strong R&D base and intellectual capital
  - Strong human capital resource
  - Network of SmartZone business accelerators
  - Programs such as 21<sup>st</sup> Century Jobs Fund and Venture Michigan Fund (to attract VC)



# Parting Thoughts cont'd

- But existing programs must improve--
  - No direct link between SmartZone program and 21<sup>st</sup> Century Jobs Fund awards
  - No statewide center for entrepreneurialism, capital, talent attraction/retention & company creation/growth
  - Enhance incentives for angel and VC investors
  - Strengthen Michigan's R&D tax credit
  - Revise High-Tech Mega Metrics to recognize knowledge-based company staffing patterns
- We will achieve greater/faster impact if we focus on start-up and established companies. We also need programs and help for companies like "50 to Watch".

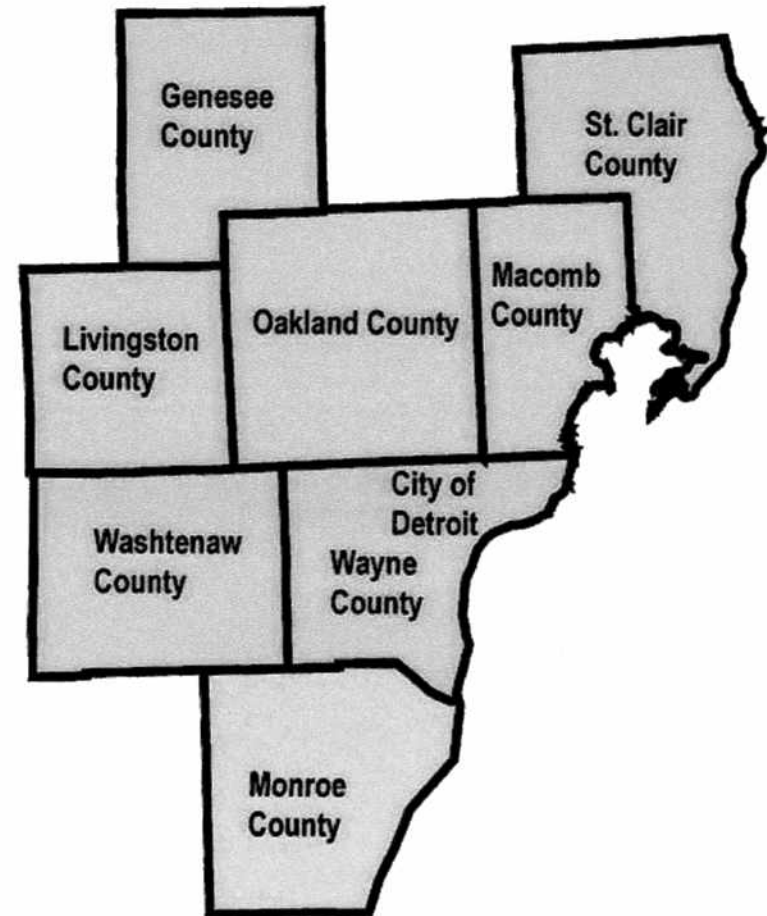


# Automation Alley



Automation Alley®

**Thank You**



*Where Technology Builds Opportunity*

